

By: Burnam

H.B. No. 2001

A BILL TO BE ENTITLED

AN ACT

relating to the exemption or tax reduction for certain high-cost gas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 201.057(f), Tax Code, is amended to read as follows:

(f) To qualify for the exemption or tax reduction provided by this section, the person responsible for paying the tax must apply to the comptroller. Notwithstanding any other provision of this section, the application must be filed with the comptroller before September 1, 2011. The application must contain the certification of the commission that the well produces high-cost gas and, if the application is for a well spudded or completed after September 1, 1995, must contain a report of drilling and completion costs incurred for each well on a form and in the detail as determined by the comptroller. Drilling and completion costs for a recompletion shall only include current and contemporaneous costs associated with the recompletion. Notwithstanding any other provision of this section, to obtain the maximum tax exemption or tax deduction, an application to the comptroller for certification according to Subsection (a)(2)(A) must be filed with the comptroller before September 1, 2011, and at the later of the 180th day after the date of first production or the 45th day after the date of approval by the commission. If the application is not filed

1 by the applicable deadline to obtain the maximum tax exemption or
2 tax deduction but is filed before September 1, 2011, the tax
3 exemption or tax deduction is reduced by 10 percent for the period
4 beginning on the 180th day after the first day of production and
5 ending on the date on which the application is filed with the
6 comptroller. An application to the comptroller for certification
7 according to Subsection (a)(2)(B) may not be filed before January
8 1, 1990, or after December 31, 1998. The comptroller shall approve
9 the application of a person who demonstrates that the gas is
10 eligible for the exemption or tax reduction. The comptroller may
11 require a person applying for the exemption or tax reduction to
12 provide any relevant information in the person's monthly report
13 that the comptroller considers necessary to administer this
14 section. The commission shall notify the comptroller in writing
15 immediately if it determines that an oil or gas well previously
16 certified as producing high-cost gas does not produce high-cost gas
17 or if it takes any action or discovers any information that affects
18 the eligibility of gas for an exemption or tax reduction under this
19 section.

20 SECTION 2. The change in law made by this Act does not
21 affect tax liability accruing before the effective date of this
22 Act. That liability continues in effect as if this Act had not been
23 enacted, and the former law is continued in effect for the
24 collection of taxes due and for civil and criminal enforcement of
25 the liability for those taxes.

26 SECTION 3. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2011.